

EXCEL®

April 5, 2002

ENCLOSURE

VIA OVERNIGHT DELIVERY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

LR

02-00382

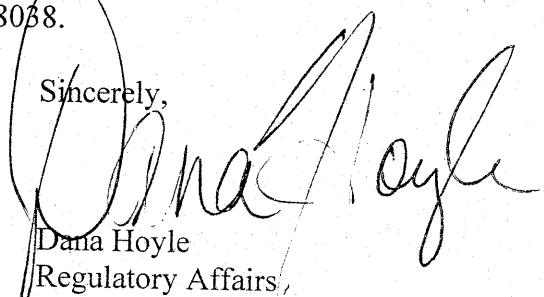
Re: Application of Excel Telecommunications, Inc. for a certificate of local authority to operate as a facilities based carrier of Telecommunications services throughout the State of Tennessee

Dear Mr. Waddell:

Enclosed please find a check in the amount of \$25.00 along with an original and thirteen (13) copies of the a Application of Excel Telecommunications, Inc. for a certificate of local authority to operate as a facilities based carrier of Telecommunications services throughout the State of Tennessee.

Please date stamp and return the enclosed extra copy of this cover letter in the self-addressed, stamped envelope provided. Should you or anyone at the Tennessee Regulatory Authority have any questions regarding these materials, please do not hesitate to contact me at (214) 424-6679 or Robbin Johnson at (214) 863-8038.

Sincerely,


Dana Hoyle
Regulatory Affairs

Enclosure

Excel Communications, Inc.
Office of the General Counsel

8750 N. Central Expressway • Suite 2000 • Dallas, TX 75231-6436 • 214.863.8213 • Fax 214.863.8215

www.excel.com

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

In the Matter of the Application of)
)
EXCEL TELECOMMUNICATIONS, INC.)
)
to Amend Its Certificate of Public Convenience)
and Necessity as a Competing)
Telecommunications Service Provider)
to Include Competitive Facilities-Based)
Local Exchange Telecommunications)
Services Throughout the State of Tennessee)

Docket No. 07-00382

**APPLICATION OF EXCEL TELECOMMUNICATIONS, INC. FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY**

Pursuant to TENN. CODE ANN. § 65-4-201, Chapter 1220-4-8-.02 of the Tennessee Regulatory Authority's ("T.R.A.'s") regulations for local telecommunications service providers, and the Federal Telecommunications Act of 1996 ("Federal Act" or "Act"), 47 U.S.C. § 251 *et seq.*, EXCEL TELECOMMUNICATIONS, INC. ("Excel" or "Applicant" or the "Company"), by its attorneys, hereby respectfully requests that the TRA grant Excel an Amendment to its existing authority to provide competitive facilities-based local exchange telecommunications services, throughout the State of Tennessee. The Company currently holds authority to provide interexchange and resold local exchange telecommunications services.

Initially, Excel will focus on providing local services to residential customers. This focus is unique. This Commission is well aware that residential customers typically have scant choice in their local service provider. Nationwide, many entrants to the local marketplace have chosen to concentrate their efforts strictly on large and medium sized businesses.

Excel has had success in taking a different path. Excel has brought high quality long distance services, at competitively low prices, to the residential consumer--- both in urban and in outlying areas ----to low volume users as well as high. Unlike other applicants, Excel plans to direct its local service offerings to a solidly residential base of customers.

The challenge ahead is to bring comparable choice in service providers to residential customers. Excel respectfully submits that approval of its Application, authorizing the Company to commence provision of a full range of competitive facilities-based local services to residential consumers will be a measurable step towards achieving that important goal and therefore is in the public interest.

In support of its application, Excel provides the following information:

I. DESCRIPTION OF THE APPLICANT AND ITS CORPORATE AUTHORITY

A. CORPORATE INFORMATION

1. Applicant's legal name is Excel Telecommunications, Inc. Applicant maintains its principal place of business at:

8750 North Central Expressway, Suite 2000
Dallas, Texas 75231
(214) 863-8700 (Tel.)
(214) 863-9235 (Fax)

2. Excel is a privately-held corporation formed under the laws of Texas¹. A copy of Excel's Articles of Incorporation are attached hereto as *Exhibit A*. A copy of Excel's Certificate

¹ Through a series of intervening companies, Excel is an indirect wholly owned subsidiary of Bell Canada Enterprises ("BCE"). BCE, at the time of this filing, has negotiated to transfer control of the North American Excel companies to Var Tec Telecom, Inc. ("Var Tec"). The TRA approved this transaction in Docket Number 01-0935 on January 3, 2002. All state and federal approvals have been obtained and the closing of the transaction is imminent. The Company will expeditiously file supplemental information to reflect the transaction's closing.

to Transact Business within the State of Tennessee is attached as *Exhibit B*. The name and address of Excel's registered agent in Tennessee for service of process will be:

C T Corporation System
530 Gay Street
Knoxville, Tennessee 37902

B. OFFICERS

The following is a list of Excel's officers:

Christina A. Gold	Chairman, President and CEO
Huntley W. Bakich	Senior Vice President, eBusiness
Mike Roudi	Senior Vice President — North American Product Marketing
William G. Smit	Senior Vice President, Network
Laura Collins	Senior Vice President of US Sales and North American Representative Services
James R. McFelea	Senior Vice President, Customer Service
James G. Timmer	Executive Vice President and Chief Financial Officer
Christopher P. Kelly	General Counsel
Michael T. Boychuk,	Executive Vice President and Chief Financial Officer [BCE]
David G. Masse	Assistant Corporate Secretary [BCE]

The following is a list of Excel's directors:

Christina A. Gold
William G. Smit
James G. Timmer

3. The full business experience of these officers is set forth in detail in *Exhibit C*. All of the above-referenced officers may be reached at the following address:

8750 North Central Expressway, Suite 2000
Dallas, Texas 75231
Telephone (214) 863-8700

4. While Excel does not maintain corporate offices in Tennessee at this time, Excel may open offices in Tennessee in the future.

C. REGULATORY CONTACT INFORMATION

5. All correspondence, notices, orders and inquiries regarding the processing of this Application should be addressed to:

H. LaDon Baltimore
Farrar & Bates, L.L.P.
211 7th Avenue, North, Suite 420
Nashville, TN 37219
Telephone: (615) 254-3060
Facsimile: (615) 254-9835

Katherine E. Barker, Esq.
The KDW Group, LLC
1200 19th Street, NW, Suite 500
Washington, DC 20036
Telephone: (202) 955-9669
Facsimile: (202) 955-9792

6. Copies of all correspondence, notices, orders and inquiries relating to this application as well as any tariff or technical issues in the future should be sent to:

Jerry G. Kriby
Sr. Tariff Manager – Regulatory Affairs
EXCEL TELECOMMUNICATIONS, INC.
8750 North Central Expressway, Suite 2000
Dallas, Texas 75231
Telephone: (214) 863-8720
Facsimile: (214) 863-8918

7. All correspondence, notices and inquiries regarding all consumer issues should be sent to:

Joel Ballew
Director – Regulatory Affairs
EXCEL TELECOMMUNICATIONS, INC.
8750 North Central Expressway, Suite 2000
Dallas, Texas 75231
Telephone: (214) 863-8700
Facsimile: (214) 863-8721

D. EXCEL AFFILIATES

8. As mentioned above, Excel is an indirect wholly owned subsidiary of Bell Canada Enterprises ("BCE"), and is affiliated with the following existing telecommunications operating subsidiaries of BCE, eMeritus, Long Distance Wholesale Club, and Excel Telecommunications of Virginia. A copy of the corporate structure of Excel is appended hereto as *Exhibit D*.

9. As of the date of filing of this Application, Excel is authorized by virtue of certification, registration, or (where appropriate) on an unregulated basis to provide local exchange and/or interexchange telecommunications services in the jurisdictions listed on the chart attached as *Exhibit E*.

10. In addition to Tennessee, Excel is currently seeking authority via pending application to provide facilities-based local exchange services in the jurisdictions listed on the chart attached as *Exhibit F*.

11. Excel is currently providing local exchange telecommunications services on a resold basis under authority issued by the TRA in Case No. 96-01030, the Order was issued on June 26, 1996. Excel's Company ID Number is 00116464. Further, the Company is authorized to provide interexchange telecommunications services under Case No. 95-03337, the Order was issued on November 10, 1995.

II. MANAGERIAL, TECHNICAL AND FINANCIAL QUALIFICATIONS

12. Excel is well-qualified managerially, technically and financially to provide the facilities-based competitive local exchange telecommunications services for which authority is requested in this Application. The Company's management team includes individuals with

substantive experience in successfully developing and operating telecommunications businesses. Excel has access to significant capital and substantial technical and managerial expertise.

13. In support of this Application, Excel submits the following information to demonstrate that it has sufficient managerial and technological telecommunications experience and expertise, as well as the financial stability adequate to ensure its continued provision of quality local exchange telecommunications services within Tennessee.

A. MANAGERIAL ABILITY

14. Excel has adequate internal managerial resources to support its Tennessee operations. This expertise in the telecommunications industry makes Excel's management team well-qualified to construct, operate and manage Excel's local exchange network in Tennessee. Specific details of the business and technical experience of Excel's officers and management personnel are appended hereto as *Exhibit C*.

B. TECHNICAL QUALIFICATIONS

15. Excel is technically qualified to provide its proposed services in Tennessee. As is evident from the information contained in *Exhibit C*, Excel is managed by persons with substantial technical expertise in designing, constructing and operating telecommunications networks. This wealth of experience will enable Excel to provide its local exchange customers with advanced, state-of-the-art technology, for its telecommunications services.

16. Financial Qualifications Specifically, as demonstrated in Cash Flow Statements, Balance Sheet and Income Statement of Excel Communications, Inc. ("Parent"), the parent company of Excel, appended as part of *Exhibit G*, Excel has access to ample capital to fund the construction and operation of Excel's telecommunications network in Tennessee, and to meet any lease and ownership obligations associated with its provision of local exchange telecommunications services in Tennessee.

17. Excel is a privately-held company and, thus, does not issue annual reports or submit any financial filings with the Securities and Exchange Commission.

18. Also appended to this Application as *Exhibit H* are the Applicant's *projected* financial statements (including Balance Sheet, Statement of Operations, and Cash Flow Statement) for the next three (3) years. This capital will enable Excel to meet the projected operating expenditures for its Tennessee operations. The estimated cost of facilities to be deployed in Tennessee is appended hereto as part of *Exhibit H*.

C. PROPOSED SERVICES AND SERVICE AREAS TO BE OFFERED BY APPLICANT IN TENNESSEE

19. By this Application, Excel seeks the authority from the Commission to provide full scale telecommunications and data services. Excel intends to operate as competitive local exchange service provider on a facilities-based and resale basis. Specifically, Excel seeks authority to provide all forms of switched and dedicated telecommunications services, including but not limited to the following local services:

- *"Plain Old Telephone Service" -- originating and terminating local calls;*
- *Access Service -- originating and terminating traffic between a customer premise and an IXC POP;*
- *Private Line;*
- *Data transmission service; and*
- *Internet services.*

20. With respect to the geographic coverage area for its intended services, Excel requests authority to operate as a competitive local exchange carrier in all areas defined by the existing exchange areas in which BellSouth and Sprint are authorized to operate within State of

Tennessee. Excel anticipates serving primarily residential customers at this time, however also plans to service business customers as economic conditions permit.

Excel proposes to operate as a facilities-based provider of local exchange telecommunications services in the State of Tennessee and throughout the nation. The Company is committed to provision of a full range of competitive local services to residential consumers.² Excel's objective is to provide its customers with a complete solution for their communications needs.

D. DESCRIPTION OF EXCEL'S NETWORK

21. Excel plans to provide its service through unbundled network elements ("UNEs"), specifically the unbundled network elements platform ("UNE-P") purchased from the incumbent local exchange provider. The Company may eventually collocate its equipment in central offices and/or carrier hotels insofar as feasible within the changing telecommunications market.³

22. Excel has no plans to construct outside plant or loop distribution equipment at the current time, but may undertake such actions in the future if changes in market conditions and the Company's business plans dictate.

III. LOCAL EXCHANGE SERVICE TARIFFS

23. Applicant will file tariff revisions subsequent to approval and prior to commencement of facilities-based local exchange operations in the State of Tennessee.

IV. REPAIR AND MAINTENANCE/CUSTOMER SERVICE INFORMATION

² After a time, should economic conditions permit, the Applicant may begin to offer services to business customers as well; however, the Company's primary customer base will be residential consumers.

³ At some future date, should the telecommunications market and related business considerations dictate, the Company may expand further into facilities-based services via strategic deployment of its own equipment; however, at present, Excel intends to concentrate upon provision of service through UNE combinations.

24. Excel will bill its customers directly, using industry-accepted methods of billing and collection. Attached hereto as *Exhibit I* is a copy of a sample customer bill.
25. Excel will maintain the following toll-free customer service telephone number: 1-888-227-7631.
26. Applicant will not publish a separate white pages directory but will contract with the underlying ILEC to provide listings for its customers.
27. Excel currently has no plans for the construction of any facilities.
28. Excel's customer service representatives will be able to assist customers with billing questions between the hours of 8:00 AM to 5:00 PM, Monday through Friday at (888) 227-7631. When a call is received, a service representative will retrieve customer account information and be prepared to address specific billing inquiries including questions about the customer's overall monthly bill, specific rates and charges, and the mechanics of the company's special discount programs. Service representatives are also available to assist other customers with questions about the company and its product offerings.
29. Excel strives to work with customers to resolve a complaint in a satisfactory manner. When a billing adjustment is needed, the service representative will process the adjustment at the time of inquiry. Each representative has the authority to adjust a customer's bill up to a specified dollar amount, any adjustments which exceed this amount are handled by a department supervisor. When an adjustment is made, the customer will see the credit within sixty (60) days of issuance.
30. Alternatively, customers will be able to communicate billing questions or concerns to Excel customer service representatives in writing.

31. Written inquiries from regulatory agencies and others are handled by the Regulatory Affairs Department. When a written complaint is received, it is promptly reviewed and researched. In some instances, a Regulatory Analyst may contact the customer to ascertain more information about a particular grievance. A letter addressing the problem and documenting the resolution is then forwarded to the agency, customer or complainant as appropriate.

32. Excel provides its service representatives with one-on-one, hands-on training. In addition, Department meetings and periodic service bulletins keep service representatives apprised of changes in rates, billing policies and operating procedures. Future systems enhancements and modifications of current procedures are aimed at assuring that customers receive the help they need in the most expeditious and efficient manner possible.

33. For service and maintenance issues, customers will be able to contact Excel's customer services 24 hours a day, seven (7) days a week, by calling toll-free at (888) 227-7631.

34. All questions regarding the Company's Tennessee operations may be addressed to:

Joel Ballew
Director, Regulatory Affairs
EXCEL TELECOMMUNICATIONS, INC.
8750 North Central Expressway, Suite 200
Dallas, Texas 75231
Telephone: (214) 863-8700
Facsimile: (214) 863-8721

V. SMALL AND MINORITY OWNED BUSINESS PARTICIPATION PLAN

35. Applicant has attached hereto a copy of its Small and Minority Owned Telecommunications Business Participation Plan will be post filed within three (3) weeks of the filing date of this Application.

VI. TOLL DIALING PARITY PLAN

36. Applicant's Toll Dialing Parity Plan, consistent with FCC Docket 96-98 will be post filed within three (3) weeks of the filing date of this Application.

VII. NUMBERING ISSUES

37. Excel, at this time, does not plan to provision numbers on its own behalf. Rather, the Company will receive its numbers from the ILEC. If, however, the Company does provision its own numbers in the future, it will comply with all numbering conversation efforts promulgated by the TRA, including number pooling and 80% utilization of an NXX prior to ordering additional numbers.

VIII. TENNESSEE SPECIFIC OPERATIONAL ISSUES

38. Excel's current billing system allows Excel to bill the calling plan in accordance with TCA § 65-21-114.

39. Excel is aware of Tennessee County Wide Calling database maintained by BellSouth, and will utilize this service.

40. Excel is aware of the local calling areas provided by the Incumbent Local Exchange Carriers in our proposed service areas.

41. Excel is aware of the metro area calling database maintained by BellSouth, and Excel will utilize this service.

42. The person responsible for working with the Tennessee Regulatory Authority for resolving customer complaints will be:

Joel Ballew
Director, Regulatory Affairs
EXCEL TELECOMMUNICATIONS, INC.
8750 North Central Expressway, Suite 200
Dallas, Texas 75231
Telephone: (214) 863-8700
Facsimile: (214) 863-8721

43. The Company does not intend to telemarket its services directly to the public, however the Company has registered as a Telemarketer with the TRA, as Excel occasionally will make calls to former Excel customers in the attempt to effectuate a winback.

IX. MISCELLANEOUS

44. In accordance with Section VIII of the T.R.A.'s *Check List for Competing Telecommunications Service Provider Applicants*, Excel provides the following information:

- (a) Notarized, pre-filed testimony of Joel Ballew, will be post-filed within three (3) weeks of the date of filing this Application.
- (b) As discussed above, Applicant will file tariffs subsequent to approval of this application and prior to commencement of operations in the State of Tennessee.
- (c) The Applicant has attached hereto a chart containing information regarding the status of its applications in all other states as *Exhibit E*.
- (d) The Applicant has been involved in a pertinent merger or acquisition. The Company is in the process of being obtained by Var Tec, as outlined above. The TRA approved this transaction on January 3, 2002 under Docket Number 01-00935. The Applicant has no operating subsidiaries. The Applicant's affiliates are illustrated in *Exhibit D*, its corporate structure chart.
- (e) The Applicant may require customer deposits.
- (f) A summary of the Applicant's regulatory history is appended hereto as *Exhibit J*.
- (g) Excel will not offer telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines, except for those that have voluntarily entered into an agreement with a competing telecommunications service provider or that have applied to provide telecommunications services in an area outside its service area existing as of June

6, 1995, or unless otherwise permitted by applicable state or federal law. Excel also will not provide service in any area served by a telephone cooperative unless otherwise permitted by applicable state or federal law. Excel reserves the right to expand its service into these areas should subsequent rulings of the TRA or any court or administrative agency allow the provision of service into such areas.

X. STATEMENT OF COMPLIANCE

45. Excel (1) understands the penalties for non-compliance, and all associated fees to provide such service; and (2) will comply with and abide by all applicable statutes and orders, rules and regulations entered and adopted by the T.R.A., including those specified in Chapter 1220-4-8-.02 of the T.R.A.'s regulations for local telecommunications service providers and TCA §65-4-2011, as well as any that the T.R.A. may promulgate in the future. Excel agrees to comply with the T.R.A.'s rules regarding universal service, interconnection, equal access and basic service standards.

46. The Applicant currently has on file with the TRA, several bonds in the amount of \$20,000 as required by TCA § 65-4-125.

47. In addition to the Company's proactive steps to ensure that its customers are satisfied with its services and products, Excel is firmly committed to taking the steps necessary to avoid unauthorized Primary Interexchange Carrier ("PIC") changes or "slamming." Over the years, several state Commissions and the FCC have noted the extraordinary steps that Excel has implemented to advance the accuracy of the customer provisioning process. In one case, the regulatory agency even characterized Excel's complaint resolution safeguards as effectively setting an industry standard. The Company periodically reviews the FCC and state approved means to effect consumer carrier changes and has been utilizing a nationwide independent third party verification ("TPV") system for the last couple of years. This TPV system allows for

verification of all residential primary interexchange carrier ("PIC") changes. Excel will continue to innovate its systems to provide consumers with efficiency, convenience, and accuracy in carrying out the consumer's choice in carrier.

XI. CERTIFICATE OF SERVICE

48. Applicant has served notice of the Application upon ILECs certificated in Tennessee, and a copy of the Certificate of Service is attached hereto as *Exhibit K*.

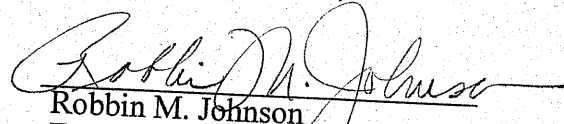
XII. CONCLUSION

49. Approval of this Application and Excel's proposed tariff will serve the public interest and result in direct benefits to local service customers in Tennessee. First, Excel's provision of the services described above will expand the availability of high quality affordable telecommunications services to Tennessee consumers. Moreover, the Company's proposed operations will increase the demand for and usage of the existing state-of-the-art networks of its underlying carriers as well its own facilities, thereby promoting continued development of advanced telecommunications infrastructure to serve the needs of Tennessee residential consumers. As discussed above, Excel's entry into the facilities-based local exchange services market will focus upon the still underserved residential market in Tennessee. While the majority of new local exchange entrants continue to focus upon the business sector, Excel will concentrate instead upon the market group for whose benefit telecommunications competition was originally intended residential users.

50. WHEREFORE, Excel requests that the Tennessee Regulatory Authority approve its Amendment to its Certificate of Public Convenience and Necessity to include the provision of facilities-based local exchange telecommunications services throughout the entire State of Tennessee.

Respectfully submitted,

By:


Robbin M. Johnson
Excel Telecommunications, Inc.
8750 N. Central Expressway, Suite 2000
Dallas, Texas 75231
Telephone: (214) 863-8038
Facsimile: (214) 863-8215

By:

H. LaDon Baltimore
Farrar & Bates, L.L.P.
211 7th Avenue, North, Suite 420
Nashville, TN 37219
Telephone: (615) 254-3060
Facsimile: (615) 254-9835

Its Attorney

Dated: 4/5/02

VERIFICATION

[Commonwealth/State] of TEXAS :

: ss.

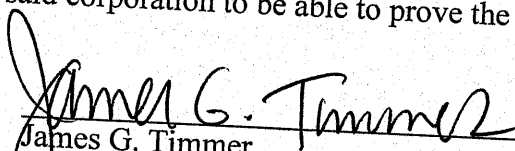
County of DALLAS :

James G. Timmer, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

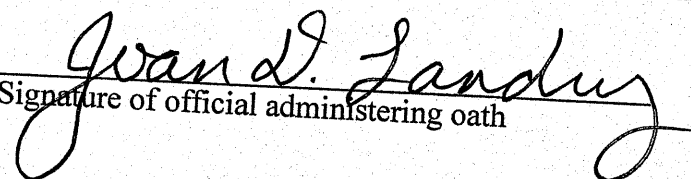
He is the **Vice President and Chief Financial Officer** of Excel Telecommunications, Inc.

That he is authorized to and does make this affidavit for said corporation;

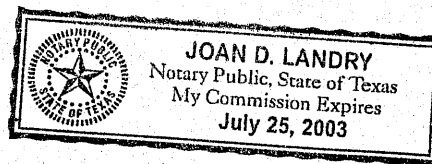
That the facts set forth in this Application are true and correct to the best of his knowledge, information, and belief and that he expects said corporation to be able to prove the same at any hearing hereof.


James G. Timmer
Senior Vice President and Chief Financial Officer
Excel Telecommunications, Inc.

Sworn and subscribed before me this 5th day of April, 2002.


Signature of official administering oath

My commission expires 7-25-03



EXHIBITS

- | | |
|------------------|--|
| Exhibit A | Certificate of Incorporation |
| Exhibit B | Certificate of Authority to Transact Business in Tennessee |
| Exhibit C | Managerial Qualifications |
| Exhibit D | Corporate Structure |
| Exhibit E | Authorization of Excel to Provide Telecommunications Services |
| Exhibit F | List of Excel's Pending Applications |
| Exhibit G | Financial Statements of Excel Communications, Inc. on behalf of its Subsidiary, Excel Telecommunications, Inc. |
| Exhibit H | Projected Financial Statements for Next Three Years |
| Exhibit I | Sample Customer Bill |
| Exhibit J | Regulatory History |
| Exhibit K | Certificate of Service |

EXHIBIT A

CERTIFICATE OF INCORPORATION



The State of Texas

Secretary of State

DEC. 6, 1988

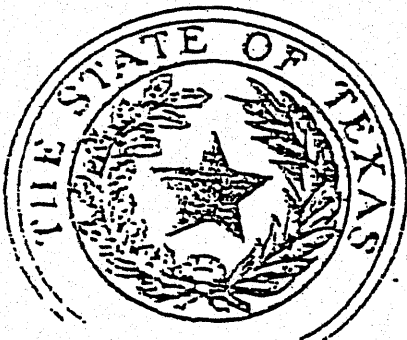
DAVID L. SHERWOOD
800 NORTH DALLAS BANK TOWER 12900 PRESTON RD
DALLAS, TX 75230

RE:
EXCEL TELECOMMUNICATIONS, INC.
CHARTER NUMBER 01096708-00

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO STATE TAX LAWS. SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES AND MAY ALSO BE EXEMPT FROM THE PAYMENT OF SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



VERY TRULY YOURS,

William M. Rains

Secretary of State

ARTICLES OF INCORPORATION
OF
EXCEL TELECOMMUNICATIONS, INC.

FILED
In the Office of the
Secretary of State of Texas

DEC 06 1988

Clerk I-B
Corporations Section

Article I

The name of the corporation is EXCEL TELECOMMUNICATIONS, INC.

Article II

The period of its duration is perpetual.

Article III

The purpose for which the corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

Article IV

The aggregate number of shares which the corporation shall have authority to issue is one hundred thousand (100,000) shares of no par value.

Article V

The corporation will not commence business until it has received for the issuance of shares consideration of the value of One Thousand Dollars (\$1,000.00) consisting of money, labor done, or property actually received.

Article VI

The street address of its initial registered office is 12202 Pleasant Valley Drive, Dallas, Texas 75243, and the name of its initial registered agent at such address is Kenny A. Troutt.

Article VII

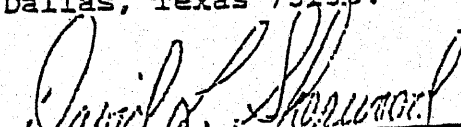
Kenny A. Troutt shall constitute the initial sole director of the Board of Directors, and he shall serve as director until the first annual meeting of the shareholders, or until his successor shall be elected and qualify. The address of said director is:

Kenny A. Troutt

12202 Pleasant Valley Drive
Dallas, Texas 75243

Article VIII

The name and address of the incorporator is David L. Sherwood, Post Office Box 670035, Dallas, Texas 75230.

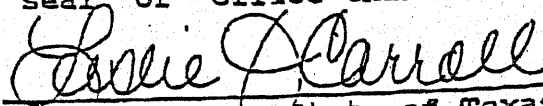


DAVID L. SHERWOOD

STATE OF TEXAS)
 : ss.
COUNTY OF DALLAS)

BEFORE ME, the undersigned Notary Public, on this day personally appeared DAVID L. SHERWOOD, known to me to be the person whose name is subscribed to the foregoing document, and being by me first duly sworn, declared that the statements therein contained are true and correct.

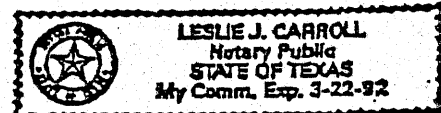
GIVEN under my hand and seal of office this 1st day of December, 1988.



NOTARY PUBLIC, State of Texas

My commission expires:

3/22/92





The State of Texas

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT OF

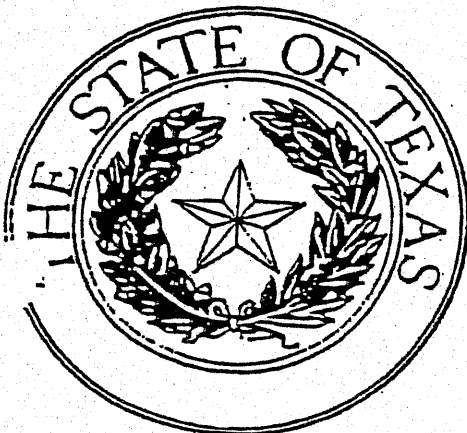
EXCEL TELECOMMUNICATIONS, INC.
CHARTER NO. 1096708-0

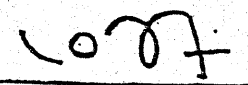
The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Amendment for the above named entity have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment.

Dated: December 28, 1995

Effective: December 28, 1995





Antonio O. Garza, Jr.
Secretary of State

pac

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
EXCEL TELECOMMUNICATIONS, INC.
(the "Corporation")

In the Office of the
Secretary of State of Texas

DEC 28 1995

Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the Corporation adopts the following Articles of Amendment to its Articles of Incorporation.

ARTICLE ONE

The name of the Corporation is Excel Telecommunications, Inc.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the shareholders of the Corporation on December 28, 1995, so as to amend the capitalization of the Corporation set forth in Article Four. Article Four of the Articles of Incorporation is hereby amended to read in its entirety as follows:

A. The aggregate number of shares that the Corporation shall have authority to issue is One Million Two Hundred Thousand (1,200,000) shares. Such shares shall be issued in two (2) classes of stock to be designated "Common Stock" and "Preferred Stock." The number of shares of Common Stock authorized is Two Hundred Thousand (200,000) shares having no par value per share. The number of shares of Preferred Stock authorized is One Million (1,000,000) shares having no par value per share.

B. The Preferred Stock may be issued from time to time in one (1) or more series. The Board of Directors is hereby authorized, by filing a statement pursuant to Article 2.13 of the Texas Business Corporation Act, to fix or alter from time to time the designations, preferences, limitations and relative rights of the shares of each such series, including, without limitation, the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and the liquidation preferences of any wholly unissued series of Preferred Stock, and to establish from time to time the number of shares constituting any such series and the designation thereof, or any of them (a "Preferred Stock Designation"); and to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE THREE

The number of shares of the Corporation outstanding at the time of such adoption was 99,000, and the number of shares entitled to vote thereon was 99,000.

ARTICLE FOUR

The number of shares voted for such amendment was 74,180; the number of shares voted against such amendment was 0. The holders of at least a majority of the shares of Common Stock outstanding and entitled to vote on the amendments set forth above have signed a consent in writing pursuant to Article 9.10 adopting such amendments as set forth below and any written notice required by Article 9.10 has been given to all shareholders who did not consent in writing.

ARTICLE FIVE

The amendment does not involve any exchange, reclassification or cancellation of issued shares of the Corporation.

ARTICLE SIX

The amendment does not effect a change in the amount of stated capital of the Corporation.

Dated: December 28, 1995

EXCEL TELECOMMUNICATIONS, INC.
A Texas Corporation

By: Ken A. Troutt
Name: Ken A. Troutt
Title: President

STATEMENT OF CANCELLATION OF TREASURY SHARES

Secretary of State of Texas

DEC 28 1995

Pursuant to the provisions of Article 4.11 of the Texas Business Corporations Act, the undersigned corporation submits the following statement of cancellation by resolution of its Board of Directors of shares of the corporation reacquired by it:

1. The name of the corporation is Excel Telecommunications, Inc. (the "Corporation").
2. A resolution was duly adopted by the Board of Directors of the Corporation on December 28, 1995, authorizing the cancellation of One Thousand (1,000) treasury shares, itemized as follows:

Class	Series	Number of Shares
Common Stock	n/a	1,000

3. The amount of stated capital represented by the shares to be cancelled is Twelve Thousand Nine Hundred Fifty Dollars (\$12,950).

4. The aggregate number of issued shares, itemized by classes and series and par value, if any, after giving effect to such cancellation is itemized as follows:

Class	Series	Par Value	Number of Shares
Common	n/a	no par	99,000

5. The amount of the stated capital of the corporation after giving effect to such cancellation is Two Hundred Fifty Seven Thousand Four Hundred Seventy Three Dollars (\$257,473).

Dated: December 28 1995

EXCEL TELECOMMUNICATIONS, INC
A Texas Corporation

By: Kenny A. Troutt
Name: Kenny A. Troutt
Title: President

RACORP2655U\NEWENTSTATECAN.EXC
1 Feb 12/27/95

ENT BY:

12-28-85 ; 11:04

FILED
In the Office of the
Secretary of State of Texas
DEC 28 1995

ARTICLES OF MERGER

Corporations, Section 5.04 (the

Pursuant to the provisions of Article 5.04 of the Texas Business Corporation Act (the "TBCA"), Excel Telecommunications, Inc., a Texas corporation ("Surviving Corporation"), and Excel Merger Subsidiary, Inc., a Delaware corporation (the "Merged Corporation"), submit the following Articles of Merger for the purpose of effecting a merger (the "Merger") in accordance with the provisions of Article 5.01 of the TBCA:

1. An Agreement and Plan of Merger (the "Plan of Merger"), adopted in accordance with the provisions of Article 5.03 of the TBCA, pursuant to which the Merged Corporation will be merged with and into the Surviving Corporation, was duly authorized by all action required by the TBCA and the articles or certificate of incorporation of such corporations, a copy of which is attached to these Articles of Merger and made a part hereof.

2. The names of the undersigned corporations and the laws of the State under which such corporations were formed are:

Name of Corporation

State

Excel Telecommunications, Inc.
Excel Merger Subsidiary, Inc.

Texas
Delaware

3. As to the Surviving Corporation and the Merged Corporation, the number of shares outstanding are as follows:

- (a) Surviving Corporation: 99,000 shares of common stock, no par value per share.
- (b) Merged Corporation: 1,000 shares of common stock, par value \$.001 per share.

4. As to the Surviving Corporation and the Merged Corporation, the numbers of shares voted for and against such Plan of Merger by the shareholders and stockholders, as applicable, of such corporations are, respectively, as follows:

- (a) Surviving Corporation:
 - (i) TOTAL VOTED FOR: 74,180 shares
 - (ii) TOTAL VOTED AGAINST: 0 shares
- (b) Merged Corporation:
 - (i) TOTAL VOTED FOR: 1,000 shares
 - (ii) TOTAL VOTED AGAINST: 0 shares

12-28-95 : 19:34 !

ENT BY:

- (c) The holders of at least two-thirds of the shares of Common Stock of the Surviving Corporation have signed a consent in writing pursuant to Article 9.10 adopting the Plan of Merger and any written notice required by Article 9.10 has been given to all shareholders of the Surviving Corporation who did not consent in writing.

5. The Plan of Merger and the performance of its terms were duly authorized by all action required by the laws under which each foreign corporation or other entity that is a party to the Plan of Merger was incorporated or organized and by its constituent documents.

6. The effective date and time of the Merger shall be January 1, 1996, at 12:01 a.m., Central Standard Time.

Executed December 28, 1995.

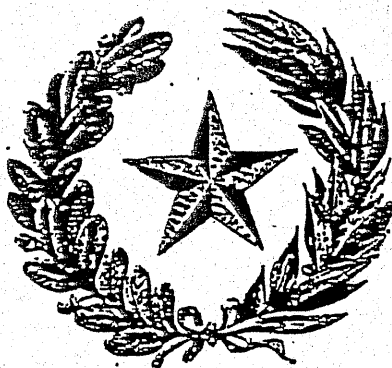
EXCEL TELECOMMUNICATIONS, INC.
a Texas corporation

By: Kenny A. Troutt
Name: Kenny A. Troutt
Title: President

EXCEL MERGER SUBSIDIARY, INC.
a Delaware corporation

By: Kenny A. Troutt
Name: Kenny A. Troutt
Title: President

R:\CORP\2635\1\NEWENT\ARTMER.TX
1 Feb 12/19/95



The State of Texas

SECRETARY OF STATE CERTIFICATE OF MERGER

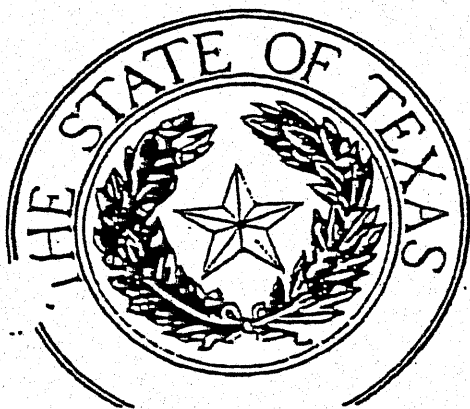
The undersigned, as Secretary of State of Texas, hereby certifies that
the attached Articles of Merger of

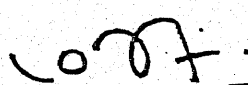
EXCEL MERGER SUBSIDIARY, INC. (a Delaware no permit)
with
EXCEL TELECOMMUNICATIONS, INC.

have been received in this office and are found to conform to law.
ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of
the authority vested in the Secretary by law, hereby issues this
Certificate of Merger.

Dated December 28, 1995.

Effective January 1, 1996 12:01 AM





Antonio O. Garza, Jr.
Secretary of State

SENT BY:

12-28-95 14:33

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Plan of Merger"), to be effective as of the Effective Time (as defined in Section 1.2), is executed by Excel Merger Subsidiary, Inc., a Delaware corporation ("Merged Corporation"), Excel Telecommunications, Inc., a Texas corporation ("Surviving Corporation"), and Excel Telecommunications Holdings, Inc., a Delaware corporation ("Parent Corporation").

RECITALS:

The respective Boards of Directors of Merged Corporation, Surviving Corporation and Parent Corporation have adopted resolutions in accordance with the Texas Business Corporation Act ("TBCA") and the Delaware General Corporation Law ("DGCL"), as applicable, approving this Plan of Merger, recommending its approval by the respective shareholders or stockholders of each entity and directing that this Plan of Merger be submitted to the respective shareholders or stockholders of each entity for approval.

NOW, THEREFORE, in consideration of the promises and the mutual agreements covenants and provisions herein contained, the parties hereto agree as follows:

ARTICLE I

The Merger

1.1 The Merger. At the Effective Time and in accordance with the TBCA and the DGCL, the Merged Corporation shall be merged with and into the Surviving Corporation, the separate existence of the Merged Corporation shall cease, and the Surviving Corporation, as the surviving corporation of such merger (the "Merger"), shall continue to exist by virtue of and shall be governed by the laws of the State of Texas.

1.2 Effective Time of Merger. Articles of Merger setting forth the information required by, and otherwise in compliance with, the TBCA shall be filed with the Secretary of State of the State of Texas and a Certificate of Merger setting forth the information required by, and otherwise in compliance with, the DGCL shall be filed with the Secretary of State of the State of Delaware and the merger of the Merged Corporation with and into the Surviving Corporation shall become effective at 12:01 a.m. Central Time January 1, 1996 (the time of such effectiveness herein called the "Effective Time").

1.3 Effect of Merger. The Merger shall have the effects set forth in Article 5.06 of the TBCA, Section 259 of the DGCL and of the other relevant provisions of the TBCA and the DGCL.

1.4 Articles of Incorporation. The Articles of Incorporation of the Surviving Corporation as in effect at the Effective Time shall be the Articles of Incorporation of the Surviving Corporation.

Corporation. No changes are to be effected to the Articles of Incorporation of the Surviving Corporation as a result of the Merger.

1.5 Bylaws. The Bylaws of the Surviving Corporation as in effect at the Effective Time shall be the Bylaws of the Surviving Corporation. No changes are to be effected to the Bylaws of the Surviving Corporation as a result of the Merger.

1.6 Officers. The officers of the Surviving Corporation who are serving as such at the Effective Time shall be the officers of the Surviving Corporation from and after the Effective Time, each such individual to serve until his or her successor has been duly elected or appointed and qualified or until his or her earlier death, resignation or removal in accordance with law, the Surviving Corporation's Articles of Incorporation and its Bylaws.

1.7 Directors. The directors of the Surviving Corporation who are serving as such immediately prior to the Effective Time shall be the directors of the Surviving Corporation from and after the Effective Time, each such individual to serve until his or her successor has been duly elected or appointed and qualified or until his or her earlier death, resignation or removal.

1.8 Further Assurances. If at any time the Surviving Corporation, or its successors or assigns, shall consider or be advised that any further assignments or assurances in law or any other acts are necessary or desirable to (a) vest, perfect or confirm, of record or otherwise, in the Surviving Corporation its rights, title or interest in, to or under any of the rights, properties or assets of the Merged Corporation acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger, or (b) otherwise carry out the purposes of this Plan of Merger, the Merged Corporation and its proper officers and directors shall be deemed to have granted to the Surviving Corporation an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in the Surviving Corporation and otherwise to carry out the purposes of this Plan of Merger; and the proper officers and directors of the Surviving Corporation are fully authorized in the name of the Merged Corporation or otherwise to take any and all such action.

1.9 Amendment. Notwithstanding shareholder or stockholder approval of this Plan of Merger, this Plan of Merger may be amended, modified or supplemented by resolution of the boards of directors of the Merged Corporation and the Surviving Corporation, at any time on or before filing of Articles of Merger or a Certificate of Merger embodying the Plan of Merger with the Secretary of State of the State of Texas or the Secretary of State of Delaware, if permitted by the TBCA and the DGCL.

1.10 Successor to Rights and Liabilities. At the Effective Time, the separate existence of the Merged Corporation shall cease, and the Surviving Corporation shall succeed without other transfer to all the rights and property of the Merged Corporation and shall be subject to all the

EXHIBIT B

CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN TENNESSEE

Secretary of State
Corporations Section
James K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

ISSUANCE DATE: 02/18/1997
REQUEST NUMBER: 97049051
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 08/25/1995
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0299391
JURISDICTION: TEXAS

RECEIVED
2/20/97

TO:
THE SEARCH IS ON
PO BOX 120598

REQUESTED BY:
THE SEARCH IS ON
PO BOX 120598

NASHVILLE, TN 37212

NASHVILLE, TN 37212

CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"EXCEL TELECOMMUNICATIONS, INC.",

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO
TRANSACTION BUSINESS IN THIS STATE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE
AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID;
THAT THE MOST RECENT CORPORATION ANNUAL REPORT REQUIRED HAS BEEN FILED
WITH THIS OFFICE; AND
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 02/18/97

FROM:
TSIO (BOX 120598)
P. O. BOX 120598

NASHVILLE, TN 37212-0000

RECEIVED:	FEES	
	\$20.00	\$20.00
TOTAL PAYMENT RECEIVED:		\$40.00

RECEIPT NUMBER: 00002071839
ACCOUNT NUMBER: 00000499



Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

Secretary of State

Corporations Section

James K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 08/25/95
REQUEST NUMBER: 3047-0399
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 08/25/95 1108
EFFECTIVE DATE/TIME: 08/25/95 1108
CONTROL NUMBER: 0299391

TO:
C T CORPORATION SYSTEM
350 N. ST. PAUL ST.
DALLAS, TX 75201

RE:
EXCEL TELECOMMUNICATIONS, INC.
APPLICATION FOR CERTIFICATE OF
AUTHORITY - FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF
AUTHORITY - FOR PROFIT

ON DATE: 08/25/95

FROM:
C T CORPORATION SYSTEM (DALLAS, TX.)
350 W. ST. PAUL
DALLAS, TX 75201-0000

RECEIVED: FEES \$300.00 \$300.00
TOTAL PAYMENT RECEIVED: \$600.00

RECEIPT NUMBER: 00001841779
ACCOUNT NUMBER: 00000022



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

EXHIBIT C

MANAGERIAL QUALIFICATIONS

Christina A. Gold, Chairman, President, Chief Executive Officer and Director - Christina Gold is Chairman, President and CEO of Excel Communications, Inc. — one of the nation's premier direct selling companies offering telecommunications and e-commerce products and services through a nationwide network of Independent Sales Representatives. Previously, Ms. Gold was President and Founder of The Beaconsfield Group, an advisory firm specializing in global direct selling and marketing/distribution strategies. Prior to the establishment of her company, she had a distinguished career at Avon Products, Inc., for 28 years.

While at Avon, Ms. Gold held a number of key positions in executive management, including Executive Vice President — global direct selling development; President and Chief Executive Officer of Avon Canada; and President of Avon North America, where she is credited with the company's turnaround.

In addition to her duties at Excel, Ms. Gold is a member of the Dallas Chamber of Commerce, and of the boards of directors of ITT Industries, Inc., Torstar Corporation and Meredith Corporation; a Trustee and Vice Chairman of the Conference Board, Inc., in New York; and a director of the Conference Board of Canada. She is also a member of the boards of both the Direct Selling Education Foundation and the Direct Selling Association (both in Washington) and the board of the non-profit National Executive Service Corporation; co-chairman of the Aspen Institute — DSG Group; and she serves on the President's Advisory Council of Carleton University in Ottawa, Canada.

In January 1997, she was named one of the "Top 25 Managers of the Year" by *Business Week* magazine and was honored by Birmingham Southern University with the Woman of Distinction Award. Ms. Gold is a graduate of Carleton University, Ottawa.

Huntley W. Bakich, Senior Vice President, eBusiness - Huntley W. Bakich leads the strategic implementation of Excel's domestic and International eBusiness products and services, including Internet, intranet and extranet strategy, execution and operations. The eBusiness division creates and supports the online presence and eCommerce capabilities of Excel's vast network of Independent Sales Representatives. In addition to all Internet, extranet and corporate intranet products/services, Mr. Bakich is the principle executive responsible for building and enhancing the Design Marketing functions of the overall business. These functions include Excel's corporate brand strategy and marketing positioning across all of Excel's distribution channels.

Previously, Mr. Bakich was a partner at USWeb/CKS where he was responsible for developing and operating an insurance and asset management division focusing on eCommerce business creation for the newly formed financial services practice division. Prior to USWeb/CKS, he served as Vice President, eCommerce for SunAmerica Financial where he was responsible for the online strategy and overall execution of its Internet functions for over 10,000 financial professionals.

Before SunAmerica, Mr. Bakich is credited with the original creation, implementation and managing of Strong Capital Management's direct Internet sales channel. While at Strong Funds, he delivered one of the first Internet mutual fund transaction websites and eCare centers in the industry. Strong's website has since won over 20 design, customer and industry awards.

Mr. Bakich received his bachelor's degree in government relations and computer applications from the University of Notre Dame.

Mike Roudi, Senior Vice President — North American Product Marketing - Mike Roudi is Senior Vice President — North American Product Marketing. Previously, he held the position of Vice President — US Product Marketing. Mr. Roudi is responsible for the development, management and marketing of Excel's long distance, "dial-around", wireless and paging product lines for the North American marketplace. Additionally, Mr. Roudi has responsibility for the sales and marketing business planning process for North America.

Prior to joining Excel, Mr. Roudi spent 13 years at AT&T in product management, consumer marketing and marketing operations.

Mr. Roudi was born and raised in New Jersey where he earned a bachelor's degree in marketing from Caldwell College.

William G. Smit, Senior Vice President, Network and Director - Bill Smit is Senior Vice President, Network for Excel where he is responsible for Network Operations including the Network Monitoring and Reporting Centers and the Network Trouble Resolution Center. He is also responsible for Field Operations, which includes Switch Site Operations, Network Engineering, Switch Databases and the Corporate Voice functions.

Previously, Mr. Smit managed the Field Operations organization for Telco Network Services, Inc, which was acquired by Excel in October 1997. Prior to joining Excel he held Network Operations and Engineering positions at IBM Global Network, Advantis, Sears Corporate Communications and AT&T.

Laura Collins, Senior Vice President of US Sales and North American Representative Services - Laura Collins is Senior Vice President of US Sales and North American Representative Services. Previously, she held the position of Excel Vice President — Sales.

Ms. Collins possesses more than 12 years of senior management experience, five of which have been spent in the network marketing industry. She brings experience from her previous posts as a Training Manager with J. Crew, Operations and Training Manager with Disney Direct Marketing Services and Regional Vice President Sales and Director of Customer and Consultant Services for Princess House. Ms. Collins is a native of Lynchburg, Virginia and attended Liberty University where she studied Communications.

James R. McFelea, Senior Vice President, Customer Service - James R. McFelea is Senior Vice President, Customer Service at Excel. He is responsible for customer care and order fulfillment functions at the company.

Prior to joining Excel, Mr. McFelea held a variety of positions with AT&T in local services, long distance and operations, spanning a career of 30 years.

Mr. McFelea received a B.S. in Business Administration from Indiana University.

James Timmer, Chief Financial Officer - Jim Timmer joined Excel in July 2000 as Executive Vice President and Chief Financial Officer. Previously, he was Vice President Finance and Planning for GTE. Mr. Timmer holds a BA in Accounting from LORAS College and an MBA from Drake University.

Christopher P. Kelly, General Counsel - Since joining Excel in April 1996, Chris Kelly successfully managed the Company's litigation in a wide variety of fields. He also wrote the first associate handbook and current employment application, oversaw the filing of the Company's first patent application, and handled legal issues with key third party vendors.

Mr. Kelly holds a B.S. in Physics from Manhattan College and a J.D. from the University of Virginia. He is a member of Phi Beta Kappa and has been admitted to practice law in New York and Texas. He is currently President of the Dallas-Ft. Worth ACCA (American Corporate Counsel Association), State Bar of Texas, Texas General Counsel Forum, AIPLA, and numerous other committees.

Michael T. Boychuk, Executive Vice President and Chief Financial Officer - Mr. Boychuk joined the Company as Treasurer in November 2000. Mr. Boychuk has also been Corporate Treasurer of BCE and Bell Canada since November 1999. From September 1997 to November 1999, Mr. Boychuk was President and Chief Executive Officer of BCE Capital Inc. Prior to joining BCE, Mr. Boychuk was Co-founder, Principal and Chief Operating Officer of Manitex Capital Inc.

David G. Masse, Assistant Corporate Secretary - Mr. Masse joined the Company as Assistant Corporate Secretary in November 2000. He has also been Assistant Corporate Secretary of BCE and Bell Canada since June 1997. Prior to joining BCE, Mr. Masse was a partner with the law firm of Chait Amyot. Mr. Masse earned his law degrees from McGill University and is a member of the Quebec Bar.

With such vast technical experience contributed by the members of its management team, in addition to the outstanding team of engineers and network specialists it employs, Excel has the adequate technical experience and managerial capability to develop and maintain a successful local exchange operation in this state.

EXHIBIT D

CORPORATE STRUCTURE

CORPORATE STRUCTURE OF
EXCEL TELECOMMUNICATIONS, INC. (APPLICANT)
AS OF NOVEMBER 30, 2001

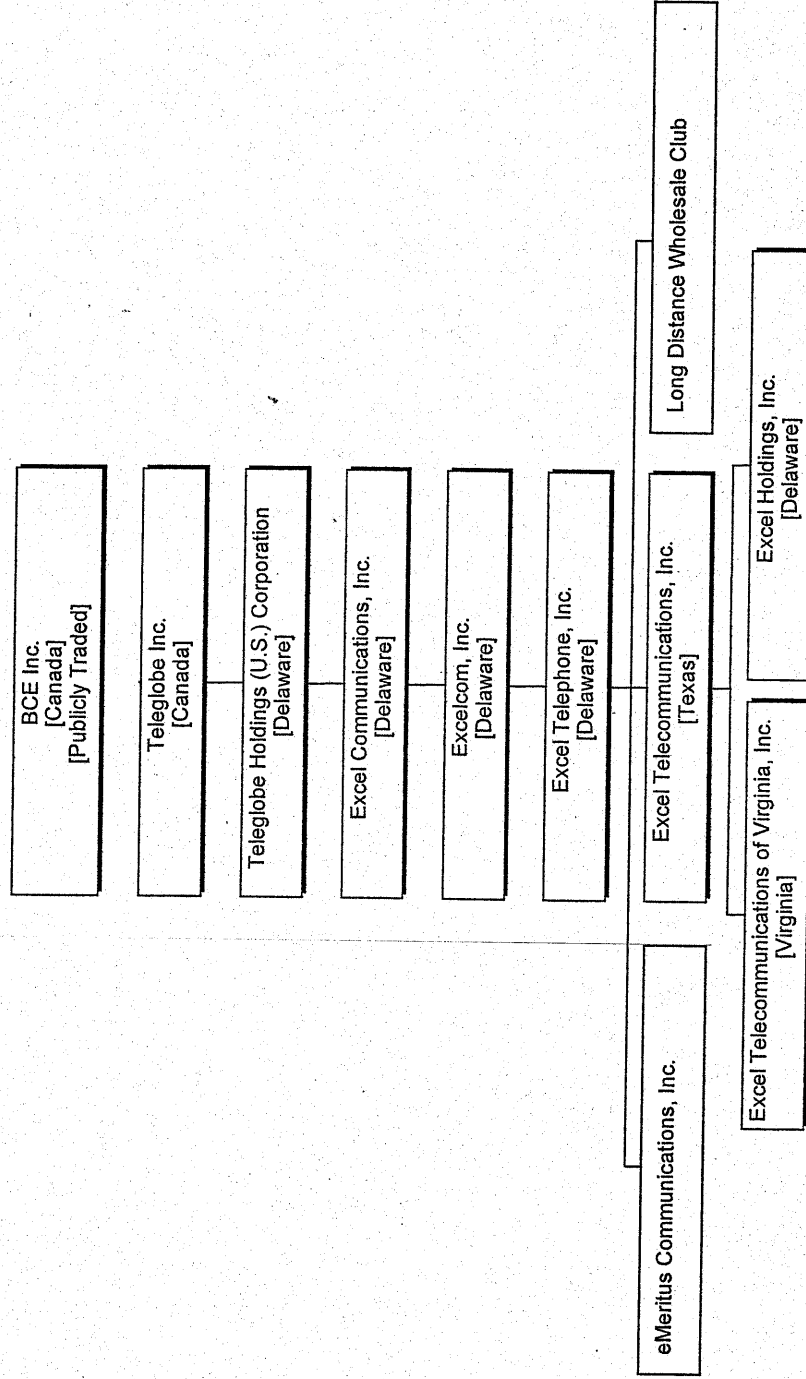


EXHIBIT E

AUTHORIZATION OF EXCEL TO PROVIDE TELECOMMUNICATIONS SERVICE

Excel Telecommunications, Inc.
Current Authority

(as of December 27, 2001)

Federal

Section 214 authority: File No. ITC-93-145

Interexchange
All fifty states

Local Exchange

Connecticut (Resale only)
Florida (ALEC)
Illinois (Resale only)
Indiana (Resale only)
Kansas (Resale only)
Kentucky (Resale only)
Louisiana
Maryland (Resale only)
Massachusetts
Michigan
Minnesota (Resale only)
Mississippi (Resale only)
Missouri
Montana (Resale only)
Nebraska (Resale only)
Nevada (Basic)

North Carolina (CLP)
North Dakota (Resale only)
Ohio (Resale only)
Oklahoma
Oregon (Resale only)
Rhode Island (CSR)
South Dakota (Resale only)
Tennessee (Resale only)
Texas
Utah (Resale only)
Vermont
Virginia (Resale only)
Washington (Resale only)
West Virginia (Resale only)
Wisconsin (Resale only)
Wyoming (Resale only)

Unless otherwise indicated (ie., Resale only), Excel has full local exchange authority.

EXHIBIT F

PENDING APPLICATIONS OF EXCEL TELECOMMUNICATIONS TO PROVIDE FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

Excel Telecommunications, Inc.
Pending Applications

(as of December 27, 2001)

Excel has an application pending for resold local exchange authority in Arizona. This application will be amended to include a request for facilities-based authority.

Applications for resold and facilities-based authority are currently being prepared for filing in the following states:

Alabama	Idaho
Alaska	Iowa
Arkansas	Maine
California	New Hampshire
Colorado	New Jersey
Delaware	New Mexico
District of Columbia	New York
Georgia	Pennsylvania
Hawaii	South Carolina

Applications to expand existing resold local exchange authority to include facilities-based authority are currently being prepared for filing in the following states:

Connecticut	Ohio (tariff filing)
Illinois	Oregon
Indiana	Rhode Island (Class 1 CLEC upgrade)
Kansas	South Dakota
Kentucky (tariff filing)	Tennessee
Maryland	Utah
Minnesota	Virginia
Mississippi	Washington (tariff filing)
Montana	West Virginia
Nebraska	Wisconsin
North Dakota	Wyoming

EXHIBIT G

FINANCIAL STATEMENTS



Total Excel Income Statement

	For the Twelve Months Ended December 31, 1999 (unaudited)	For the Twelve Months Ended December 31, 2000 (unaudited)	For the Twelve Months Ended December 31, 2001 (unaudited)
(\$ in thousands)			
Communication Services	\$ 1,366,600	\$ 863,395	\$ 750,473
Intercompany Services	57,592	86,936	34,544
Marketing Services	60,758	40,106	29,567
Total Revenues	1,484,950	990,437	814,584
Communication Services COS	652,772	468,546	347,480
Intercompany COS	57,592	92,436	34,095
Marketing Services COS	17,613	20,896	21,266
Total Cost of Sales	727,977	581,878	402,841
Communication Margin	713,828	394,849	402,993
Intercompany Margin	-	(5,500)	449
Marketing Margin	43,145	19,210	8,301
Total Margin	756,973	408,559	411,743
Selling	189,295	122,834	101,993
Other Marketing	43,669	13,439	7,823
Customer Support	212,586	160,469	139,518
Department G&A	184,128	166,869	135,822
EBITDA	127,295	(55,052)	26,587
Depreciation/Amortization	67,795	98,115	85,096
Operating Income	59,500	(153,167)	(58,509)

NOTE: This financial statement may not include subsequent accounting entries and adjustments which have been made, pursuant to auditing reviews, in order to more accurately reflect attribution of income and expenses among the years shown, as well as certain other post-audit adjustments which appropriately fall below the operating income line.



Total Excel Cash Flow

(\$ in thousands)

OPERATING ACTIVITIES:

Net income

Non Cash Adjustments:

Depreciation and amortization

Unrealized gain/loss on foreign currency translation

Loss on disposal of assets

Write-off of goodwill/intangibles

Deferred income taxes

Long term asset amortization

Income taxes payable/receivable

Non Cash Interest Payable on Intercompany Debt (YTD interest)

Other non-cash adjustments to net income

Net Income + Non Cash Adjustments

Changes in Assets and Liabilities-

Accounts receivable, net

Accounts payable & Accrued liabilities

Commissions payable

Deferred revenue & other

Inventories and other

Change in Working Capital

Net Cash Generated (Used) in Operating Activities

INVESTING ACTIVITIES:

Proceeds from sale of assets

Purchase of property and equipment

Purchase of franchise agreement

Change in other long term assets

Net Cash Generated (Used) in Investing Activities

FREE CASH FLOW

FINANCING ACTIVITIES:

Payments of capital lease obligations

Proceeds from equity contributions - Teleglobe

Proceeds/(Payments) of intercompany debt

Interest payable on intercompany debt (prior year)

Net cash provided by (used in) financing activities

Net Increase/(Decrease) in Cash

CASH, beginning of period

CASH, end of period

	For the Twelve Months Ended December 31, 1999 (unaudited)	For the Twelve Months Ended December 31, 2000 (unaudited)	For the Twelve Months Ended December 31, 2001 (unaudited)
	\$ 6,386	\$ (197,369)	\$ (972,629)
	67,795	98,115	85,099
	220	164	(670)
	194	37,971	29,410
	-	347	845,154
	45,839	(103,725)	(39,609)
	-	130	818
	(22,248)	42,299	(3,935)
	(36)	68,698	36,498
	-	(1,628)	(896)
	98,150	(54,998)	(20,760)
	17,440	115,580	10,996
	(49,676)	(18,307)	(39,278)
	(3,846)	1,967	(7,562)
	(3,465)	(4,787)	(572)
	(6,937)	(1,188)	4,505
	(46,484)	93,265	(31,911)
	51,666	38,267	(52,671)
	-	3,757	880
	(167,704)	(121,665)	(43,672)
	-	(3,360)	(850)
	(2,850)	(4,677)	(1,919)
	(170,554)	(125,945)	(45,561)
	(118,888)	(87,678)	(98,232)
	(641)	(2,417)	(4,817)
	-	25,476	66,214
	87,353	91,086	85,682
	-	-	(53,058)
	86,712	114,145	94,021
	(32,176)	26,467	(4,211)
	9,905	(24,216)	2,251
	\$ (22,271)	\$ 2,251	\$ (1,960)



Total Excel Balance Sheet

(\$ in thousands)

ASSETS

Current Assets:

Cash and cash equivalents
Accounts receivable, net
Income taxes receivable
Inventories
Deferred income tax asset
Other current assets

Total Current Assets

Property and equipment, net
Goodwill, net
Other assets

Total Assets

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable
Commissions payable
Intercompany Payable
Intercompany interest payable
Accrued liabilities
Deferred revenue and other
Current portion of long-term debt

Total Current Liabilities

Intercompany long-term debt
Other Long Term Liabilities
Capital lease obligations
Long-term notes payable
Deferred income taxes payable

STOCKHOLDERS' EQUITY:

Paid-in capital
Unrealized gain (loss) on translation
Retained earnings

Total Stockholders' Equity

	December 31, 1999 (unaudited)	December 31, 2000 (unaudited)	December 31, 2001 (unaudited)
\$	(22,271)	\$ 2,251	\$ (1,960)
	226,767	126,325	111,388
	49,395	7,106	11,041
	1,538	4,367	1,613
	41,680	43,497	38,474
	13,810	11,836	6,584
	<u>310,919</u>	<u>195,382</u>	<u>167,140</u>
	502,335	515,424	459,372
	851,281	850,813	-
	37,075	47,404	61,753
\$	<u>1,701,610</u>	\$ <u>1,609,023</u>	\$ <u>688,265</u>
\$	51,528	\$ 58,437	\$ 35,543
	11,030	12,997	5,435
	57,670	85,858	12,266
	737	68,817	-
	115,910	87,470	63,023
	5,300	375	2,450
	793	3,642	3,670
\$	<u>242,968</u>	\$ <u>317,596</u>	\$ <u>122,387</u>
	620,000	620,000	-
	-	-	-
	787	8,419	7,399
	-	-	15,935
	42,226	(37,529)	(80,746)
	555,607	581,093	1,477,579
	263	427	(677)
	239,759	119,017	(853,612)
	<u>795,629</u>	<u>700,537</u>	<u>623,290</u>
\$	<u>1,701,610</u>	\$ <u>1,609,023</u>	\$ <u>688,265</u>

EXHIBIT H

PROJECTED FINANCIAL STATEMENTS FOR NEXT THREE YEARS

TO BE FILED LATE

EXHIBIT I

SAMPLE CUSTOMER BILL

Personal Account Summary Statement-

June 7, 2002

Page 1 of 9

John Q. Smith
123 Main Street
Anytown, State, 12345-6789

Customer Information

Account Number: 1234567890
Bill Date: 06/07/2002
Billed Telephone: 123-456-7890

Summary of Charges - Previous Period

Previous Balance	27.91
Payments Received - Thank You	(27.91)
Balance Forward	\$0.00

Summary of Charges - Current Period

Call Detail Charges	18.24
Monthly Recurring Charges	62.90
Non-Recurring Charges	25.00
Adjustments	(10.00)
Discounts	(25.00)
Taxes & Surcharges	13.19
Total Current Charges	\$84.33

Total Amount Due	\$84.33
-------------------------	----------------

WHAT'S NEW?

Thank you for choosing Excel's Local Service. Your satisfaction is very important to us. We value you as a customer.

IMPORTANT MESSAGE

Our new bill was designed with you in mind. All your local and long distance charges on one easy to read statement. And only one check to write!



Thank You for Choosing
Excel Telecommunications!

* The minimum payment of \$30.00 per phone line is required to prevent termination of the phone line.

Please fold and detach at perforation

PLEASE MAKE SURE ADDRESS SHOWS THROUGH ENVELOPE WINDOW

PAYMENT INFORMATION

Due Date	June 27, 2002
Total Amount Due	\$84.33

Amount Enclosed \$

John Q. Smith
Account Number: 1234567890
Bill Date: June 7, 2002
Invoice #: 1
Account Id: 12345678901

EXCEL TELECOMMUNICATIONS, INC.
P.O. BOX 78466
PHOENIX AZ 85062-8466

Make Checks Payable to :
Excel Telecommunications

☐ Check box if change of address information appears on reverse.

8466 0003767375 0206347506 0000007594

HOW TO PAY

Mail

Please enclose your payment and remittance form in the return envelope. Be sure to write your account ID on your check or money order and make it payable to: **Excel Telecommunications, Inc.**

If you have misplaced or lost the remittance form, then please mail your payment to:

Excel Telecommunications, Inc.
P.O. Box 78466
Phoenix, AZ 85062-8466

Non Sufficient Funds Charge

A \$15.00 administration fee will be charged to your account for NSF checks.

CUSTOMER CARE

- If you have any questions please contact Customer Care toll free: 1-877-EXCEL-01 or visit us on-line. Our Home page address is: www.excel.com

- You have the right to request and receive an annual or monthly itemized breakdown of your local service charges free of charge. Just give us a call at 1-877-EXCEL-01 and we will be happy to provide you with this enhancement.

Excel's Corporate Address:
Excel Telecommunications, Inc.
P.O. Box 650582
Dallas, TX 75265-0582

"Any distance made simple. One simple package, One simple bill, One simple price...One stop shop!"

.....
Please fold and
detach at perforation

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Please fold and
detach at perforation

Change of Address:

Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

MONTHLY RECURRING CHARGES

Excel Local & Long Distance Services	\$59.40
Excel My800 Service	\$3.50

Total Monthly Recurring Charges	\$62.90
--	----------------

USAGE BASED CHARGES - DETAIL SUMMARY

Excel Local & Long Distance Services Calls	\$3.24
Excel Calling Card Service Calls	\$3.00
Excel My 800 Service Calls	\$0.95
Excel Directory Assistance/ Operator Services Calls	\$8.40
Excel Dial-Around Calls	\$0.40
Excel Pay-Per-Use Call	\$2.25

Total Call Detail Charges	\$18.24
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NON-RECURRING CHARGES

Total Non-Recurring Charges	\$25.00
------------------------------------	----------------

ADJUSTMENTS

Total Adjustments	(\$10.00)
--------------------------	------------------

DISCOUNTS

Total Discounts	(\$25.00)
------------------------	------------------

SUMMARY OF TAXES & SURCHARGES

P.U.C. Gross Receipts Tax (Fees)	\$1.99
District Tax	\$0.84
911 Surcharge	\$0.86
Federal & State Universal Service Fund Charge	\$1.87
TIF Reimbursement	\$0.96
Federal Excise Tax	\$1.93
Sales Tax	\$3.26
PICC	\$1.48

Total Taxes and Surcharges	\$13.19
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Total Current Charges	\$84.33
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Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

EXCEL'S LOCAL & LONG DISTANCE SERVICES

Excel Local & Long Distance Service Detailed Charges for 123-456-7890

Excel Value Communications Package- Monthly Charge			\$34.95
• Local Service- Flat	06/07 - 07/06		
• Touch Tone	06/07 - 07/06		
• Caller ID	06/07 - 07/06		
• Call Waiting	06/07 - 07/06		
• Three Way Calling	06/07 - 07/06		
• Call Return	06/07 - 07/06		
• Call Blocking	06/07 - 07/06		
• Excel Bucket Of Minutes Savings Plan	06/07 - 07/06		

Optional Service Charges

Item	Date	Description	Minutes	Amount
1	06/07 - 07/06	Call Waiting ID		\$2.50
2	06/07 - 07/06	Excel Member 2 Member Calling Plan		\$9.95
		M2M Free Minutes Used During	300	\$0.00
Total Additional Charges				\$12.45

Pay-Per-Use Charges

Item	Description	Times Used	Amount
1	Auto Redial Pay-Per-Use	3	\$2.25
Total Pay-Per-Use Charges			\$2.25

Excel Domestic Direct Dialed Long Distance Calls

Item	Date	Time	Number Called	Location Called	Minutes	Amount
1	05/08	1:00pm	303-298-2222	Denver, CO	67	
2	05/09	3:00am	719-231-1045	Washington, DC	33	
3	05/10	8:00pm	314-843-8025	St. Louis, MO	93	
4	05/11	7:00pm	954-755-2700	Fort Lauderdale, FL	207	
Total Minutes Used					310	
Total Minutes Included in Plan					300	\$0.00
Number of Domestic Minutes Excluded from Plan @ 7 Cents/Minute					10	\$0.70
Total Excel Domestic Direct Dialed Call Charges						\$0.70

Excel International Direct Dialed Calls

Item	Date	Time	Number Called	Location Called	Minutes	Amount
1	05/16	01:00pm	000123456789011	Switzerland	1.0	\$1.58
2	05/31	03:00am	077111111111111	France	1.0	\$0.96
Total Excel International Direct Dialed Call Charges						\$2.54

Total Excel Local & Long Distance Service Charges for 123-456-7890	\$52.89
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Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

Excel Local & Long Distance Services Detailed Charges for 987-654-3210

Excel Local Service – Basic Monthly Charge		\$12.00
• Local Service- Flat	06/07 – 07/06	
• Touch Tone	06/07 – 07/06	

Total Excel Local & Long Distance Service Charges for 987-654-3210	\$12.00
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Surcharges & Fees

Description		Amount
Expanded Local Calling Surcharge		
FCC Approved End User Common Line Charge	06/07 – 07/06	\$12.00
Local Number Portability	06/07 – 07/06	\$0.66
911 Local Equalization Surcharge	06/07 – 07/06	\$2.48
911 State Equalization Surcharge		\$0.00
Texas Poison Control Surcharge		\$0.00
Municipal Surcharge		\$0.00
TIF Reimbursement		\$0.00

Total Additional Charges	\$15.14
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Summary of Excel Local & Long Distance Service Charges (Excluding Taxes)

- Total Excel Local & Long Distance Charges for 123-456-7890	\$52.89
- Total Excel Local & Long Distance Charges for 987-654-3210	\$12.00
- Total Surcharges & Fees	\$15.14
Excel Local & Long Distance Charges Grand Total	\$80.03

Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

EXCEL CALLING CARD SERVICE

Excel Calling Card Service Detailed Charges for 123-456-7890-1

Calling Card Calls

Item	Date	Time	Number Called	Location Called	Minutes	Amount
1	05/09	02:00pm	303-298-2222	Denver, CO	3	1.11
		Called From	816-802-7458			
2	05/22	08:00am	719-231-1045	Washington, DC	1	0.89
		Called From	830-862-1324			
Total for Calling Card Calls						\$2.00

Total Excel Calling Card Service Charges for 123-456-7890-1	\$2.00
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EXCEL CALLING CARD SERVICE

Excel Calling Card Service Detailed Charges for 123-456-7890-2

Calling Card Calls

Item	Date	Time	Number Called	Location Called	Minutes	Amount
1	05/15	02:00pm	303-298-2222	Denver, CO	1	1.00
		Called From	XXX-XXX-XXXX			
Total for Calling Card Calls						\$1.00

Total Excel Calling Card Service Charges for 123-456-7890-2	1.00
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Excel Calling Card Charges Grand Total	\$3.00
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EXCEL MY800 NUMBER SERVICE

Excel My800 Service Detailed Charges for 888-123-4567-XX

Excel My 800 Service - Monthly Charge	01/10 - 02/09	\$3.50
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Incoming Toll Free Calls

Item	Date	Time	Originating Number	Originating Location	Minutes	Amount
1	05/24	02:00pm	303-298-2222	Denver, CO	4	.76
2	05/31	08:00am	719-231-1045	Washington, DC	1	.19

Total for My800 Number Calls	\$0.95
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Total Excel My800 Number Charges for 888-123-4567-XX	\$4.45
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Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

EXCEL DIRECTORY ASSISTANCE/OPERATOR SERVICES

Excel Directory Assistance/Operator Services Chargers for 123-456-7890

Directory Assistance Charges

Item	Date	Number Called	Description	Minutes	Amount
1	01/02	913-555-1212	National Directory Assistance		\$0.75
2	01/02	1411	Local Directory Assistance		\$0.30
3	01/02	201-555-1212	National Directory Assistance		\$1.40
4	01/06	201-788-1000	Local Call Completion		\$0.30

Total Directory Assistance Charges \$2.75

Operator Services Charges

Item	Date	Time	Originating Number	Billing	Type	Minutes	Amount
1	05/08	3:00pm	303-298-2222	Collect Auto		2	\$1.15
2	05/10	4:00PM	719-231-1045	3rd Number Billed Auto		2	\$1.15
3	05/11	5:00PM	314-843-8025	Collect Operator		3	\$1.15
4	05/20	2:00PM	123-456-7890	Line Interrupt		1	\$2.20

Total Operator Services Charges \$5.65

Total Excel's Directory Assistance/Operator Service Charges for 123-456-7890 \$8.40

EXCEL DIAL AROUND SERVICE

LDWC, A Telco Communications Group Company -Detailed Charges for 123-456-7890

Billed on behalf of: LDWC (Long Dist Wholesale Club), 1010297 - For Billing Questions Call 1-800-962-4631

Direct Dialed Calls

Item	Date	Time	Number Called	Location Called	Minutes	Amount
1	4/24	01:00pm	954-721-8600	Fort Lauderdale, FL	1	\$.10
2	4/28	03:00am	954-346-1000	Fort Lauderdale, FL	1	\$.10

Total Direct Dialed LDWC Calls \$0.20

Total Direct Dialed LDWC Call Charges \$.20

Total LDWC Service Charges for 123-456-7890 \$.20

Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

EXCEL'S DIAL AROUND SERVICE

Telco Holdings, Inc., A Telco Communications Group Company –
Detailed Charges for 123-456-7890

Billed on behalf of: Dial & Save, 1010457 - For Billing Questions Call 1-800-962-4631

Direct Dialed Calls

Item	Date	Time	Number Called	Location Called	Minutes	Amount
1	4/21	01:00pm	954-492-0000	Fort Lauderdale, FL	1	.10
2	4/22	03:00am	954-755-0000	Fort Lauderdale, FL	1	.10

Total Direct Dialed Dial & Save Calls \$0.20

Total Direct Dialed Dial & Save Call Charges \$.20

Total Dial & Save Service Charges for 123-456-7890 **\$.40**

NON-RECURRING CHARGES

Item	Date	Description	Amount
1	05/7	Order Migration Charge	\$25.00

Total Non-Recurring Charges **\$25.00**

ADJUSTMENTS

Item	Date	Description	Type	Amount
1	05/18	Local Service Credit	Service Interruption	(10.00)

Total Adjustments **(\$10.00)**

DISCOUNTS

Item	Date	Description	Amount
1	01/10	Waive Order Migration Charge	(25.00)

Total Discounts **(\$25.00)**

PAYMENTS

Item	Description	Amount
1	Deposit Received	(50.00)
2	Payment Received- Thank You	(27.91)

Total Payments **(\$27.91)**

Customer: John Q. Sample
Invoice Date: June 7, 2000

Account Number: 1234567890
Customer Service Number: 1-877-EXCEL-01

ABOUT YOUR EXCEL ACCOUNT

Once you are part of the Excel family, we will do everything we can to keep you a loyal and happy customer.

We offer a wide variety of telecommunications products and services designed to meet your needs:

- Excel Message Saver and Excel Message Saver Plus – Are the kids always tying up the phone so your friends can't get through?
- Does work and family keep you on the run, so people can't reach you?

Excel's Message Saver voice mail will take messages for you when you're (or the kids) on the phone, when you're not at home, or you just don't feel like talking. Excel Message Saver Plus gives you the added features of up to three (3) individual message boxes so your messages can be kept separate from the kid's messages. Additionally, if you have a pager, the pager notification feature will out dial to you pager to let you know that you have a new message. What can be simpler?

Other Popular Services:

- | | | | |
|-------------|-----------------------------|-----------------|-----------------|
| ✓ Caller ID | ✓ Call Waiting ID | ✓ Calling Cards | ✓ WorldRate One |
| ✓ My800 | ✓ Unlisted or Non Published | | |

If you'd like more information please contact your independent representative, or the Customer Care Center (see above).

EXHIBIT J

REGULATORY HISTORY

Identify all complaints filed with state or federal regulatory agencies involving your company or affiliated entities. Identify the nature of the complaint, which governmental agency, or office received the complaint, and how the complaint was resolved.

Excel has a strong commitment to observing the highest standards of customer service as well as to bringing competitive choice to the residential marketplace.

As in any business, customer issues of various types arise in the normal course of operations. An important measure of customer satisfaction in such situations is the Company's responsiveness in promptly resolving such issues. Each of the approximately 400 customer service associates staffing the Company's two state-of-the-art call centers receives approximately 100 hours of training annually in customer care and provisioning standards. This training is designed to promote long term relationships with Excel customers as well as timely resolution of customer problems. Excel has a "First Call Resolution" standard to ensure that consumers have their questions answered and/or problems resolved with one call. Moreover, since its inception, Excel has given new long distance customers a 90-day guarantee, during which Excel will pay for a customer's switch-back to his/her previous company with no questions asked.

Other steps that Excel has taken to guarantee consumer satisfaction include the development of a specialized group within the customer service department whose sole function is to deal with reported problems of service-not-requested, claims of slamming, and other issues quickly and efficiently. This group ensures that the consumer is satisfied and that any appropriate credits/adjustments are made. Finally, and perhaps most importantly, serving as the "first line" of consumer satisfaction are Excel's Independent Representatives ("IRs"). The IRs are encouraged to build ongoing relationships with their customers to ensure satisfaction with Excel's services and products on a continuing basis. Further, Excel has undertaken to provide training to its IRs with respect to Excel's strict Zero Tolerance Policy and business ethics. Excel will terminate its relationship with any IR who is found to have engaged in illegal or improper conduct, specifically with regards to slamming.

Beyond the Company's proactive steps to ensure that its customers are satisfied with its services and products, Excel has been praised for its forthrightness in keeping regulatory agencies informed when consumer issues do arise. It deserves mention that regulatory commissions have noted the steps Excel has taken to advance the accuracy of the customer provisioning process and, in one case, took the extraordinary step of recognizing that Excel's consumer care safeguards effectively set an industry standard.

The Company periodically reviews the FCC and state approved means to effect consumer carrier changes and has been utilizing a nationwide independent third party verification ("TPV") system over the last couple of years. This TPV system allows for verification of all residential primary interexchange carrier ("PIC") changes. Excel will continue to innovate its systems to provide consumers with efficiency, convenience, and accuracy in carrying out the consumer's choice in carrier.

Notwithstanding its best efforts in customer service and satisfaction, and, as is the case for many carriers of Excel's size and comparably long history of operations, Excel has from time to time been the subject of informal commission inquiries or even formal proceedings. In response to the Commission's request a summary of proceedings is provided. Because each state commission applies its own rules and standards to treat, handle and classify consumer complaints, we have looked to a factor for categorizing these issues that would be common across all states—regulatory complaints that have been resolved by issuing an order dismissing an action or approving a settlement. Accordingly, the attached summary of regulatory actions also serves as a summary of the Applicant's complaint history in other states.

The following list identifies and summarizes relevant regulatory proceedings, except for informal consumer complaints or referrals. We discuss proceedings in which Excel Telecommunications, Inc. has been the subject within the past three years.

CLOSED PROCEEDINGS

- 1 Federal Communications Commission, Washington, DC 20554, File Number EB-99-TC-012, Enforcement Bureau Investigation (Closed April 25, 2000). Excel entered into a Consent Decree with the FCC to resolve several complaints of unauthorized PIC changes. Excel proactively initiated discussions with the FCC. As a result, no Notice of Apparent Liability was ever issued. As part of this consent decree, Excel made no admission of liability, agreed to continue its then recently implemented nationwide third party verification at least through April 25, 2002, and implemented other preventative procedures. In connection with the consent decree, Excel also made a voluntary contribution of \$400,000 to the US Treasury.
- 7 Florida Public Service Commission; 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0870; Docket No. 991459-TP (Closed September 13, 2000). Excel noted an increase in complaints concerning alleged unauthorized PIC changes. Taking a proactive approach, Excel met with the Florida Commission Staff to discuss the issue. The Company stopped the use of written LOAs and instead instituted a TPV system for all consumer PIC changes other than those made to the ILEC directly, and made a voluntary contribution of \$400,000 to the General Revenue Fund of the State of Florida.
- 8 Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0870; Docket No. 97-1490-T1 (Closed February 22, 1999). A show cause order was opened against twelve telecommunications carriers, including AT&T, MCI, Sprint, LCI, and UniDial, among other long distance carriers, in addition to Excel Telecommunications, Inc. The proceeding was initially opened in December of 1997 and the formal show cause order was issued on July 22, 1998. Excel made a voluntary contribution of \$68,000 to the General Revenue Fund of the State of Florida.
- 9 Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0870; Docket No. 950468-T1 (Closed March 21, 1996). The proceeding was instituted on April 20, 1995 with respect to Excel Telecommunications. The petition alleged unauthorized PIC changes. Excel and the Commission entered into a settlement in which Excel voluntarily agreed to adopt certain procedures with respect to PIC changes of customers. Excel also agreed to remit a voluntary contribution of \$10,000 to the General Revenue Fund of the State of Florida.
- 10 Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky, 40602; Case No. 2000-316 (Closed March 24, 2000). The Commission opened a proceeding to investigate allegations of slamming. Excel and the Commission reached a Settlement Agreement following meetings with Staff in which Excel demonstrated the extensive steps that the Company had taken enhance the existing

provision of service mechanism thus reducing the occurrence of slamming complaints. In addition, Excel agreed to pay \$65,000 to the Kentucky State Treasurer's Office.

- 12 Maryland Public Service Commission, William Donald Schaeffer Tower, 6 St. Paul Street, Baltimore, Maryland 21202; Case No. 100033632 (Closed January 30, 2001). This proceeding involved a single consumer complaint of slamming. The consumer contacted the Commission, which in turn contacted Excel. The Company settled the matter, ensuring that the consumer received the credits to which he was entitled without further Commission action.
- 13 Michigan Public Service Commission, 6545 Mercantile Way, Lansing, MI 48910, Case No. U-11987 (Closed September 14, 1999). This proceeding focused upon a single consumer complaint of an unauthorized PIC change. Excel and the consumer subsequently were able to reach settlement without further Commission involvement.
- 14 Nebraska Public Service Commission, 300 The Atrium, 1200 North Street, Lincoln, Nebraska 68509, Formal Complaint No. FC-1265. (Closed August 3, 1999). A complaint was filed by two independent local exchange carriers in connection with equal access and intraLATA presubscription balloting. The complaint concerned Excel's provisioning and billing of customers. The parties have reached a voluntary settlement of the claim without admission of wrongdoing.
- 15 Nevada Office of the Attorney General, Bureau of Consumer Protection, 1325 Airmotive Way, #340, Reno, Nevada, 89502 (Closed February 4, 2000). A Release and Settlement Agreement was entered into by Excel and the Nevada Attorney General's office in a case brought by the Attorney General for alleged slamming. Excel and the Nevada Attorney General's Office settled with no admission of liability on Excel's part and a voluntary disbursement of \$75,000 to the Office of the Nevada Attorney General.
- 16 Oregon Department of Justice, 1162 Court Street NE, Salem, Oregon, 97310, Case No. 00C14467 (Closed May 23, 2000). Excel entered into an Assurance of Voluntary Compliance in this case brought by the Department of Justice based upon various complaints that were billing and PIC-change related. Without admitting liability, Excel voluntarily contributed \$75,000 to the Consumer Protection and Education Revolving Account.
- 17 Commonwealth of Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania, Case No. C-00015520 (Closed September 13, 2001). This proceeding arose out of a misunderstanding by the consumer as to the amount of monthly service charges for her long distance calling. Excel and the consumer settled their differences without further Commission involvement.
- 18 Commonwealth of Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania, Case No. C-00003546 (Closed June 27, 2000). A single consumer complaint was lodged against the Company, alleging failure to switch back the consumer

to a different PIC. Excel resolved the problem to the consumer's satisfaction upon receipt of the customer's complaint.

- 20 Public Utilities Commission of South Dakota, 500 East Capitol Avenue, Pierre, SD 57501, Case No. CT00-106 (Closed December 20, 2000). The case arose from a complaint made by a couple for 1) a billing dispute and 2) an allegation of an unauthorized PIC change on their home phone line. Excel and the consumers came to a settlement without further Commission involvement.
- 21 Public Utilities Commission of South Dakota, 500 East Capitol Avenue, Pierre, SD 57501, Case No. CT00-039 (Closed May 4, 2001). The basis for this action was a complaint by a single consumer regarding a billing issue. Excel and the consumer came to a settlement with minimal Commission involvement.
- 22 Public Utilities Commission of South Dakota, 500 East Capitol Avenue, Pierre, SD 57501, Case No. CT01-0034 (Closed October 18, 2001). This action arose in response to a billing complaint by a former customer. Excel and the consumer came to a settlement without Commission involvement.
- 23 Public Utilities Commission of South Dakota, 500 East Capitol Avenue, Pierre, SD 57501, Case No. CT00-076 (Closed July 13, 2000). This action arose in response to a complaint by a single consumer alleging unauthorized switch of carrier. Excel and the consumer came to a settlement without further Commission involvement.
- 24 Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37243-0505; Case Nos. T-01-00069; T-01-00094; T-01-00114 (Closed May, 2001). These cases arose out of three alleged violations of Tennessee's Do-Not-Call Telephone Sales Solicitation Law. Excel was cited for failing to register as a telephone solicitor in the State of Tennessee as a result of attempting to winback former customers. However, Excel does not use telemarketing to acquire new customers. Nevertheless, the Company was required to pay \$5,000 and to register as a telephone solicitor.
- 25 Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37243-0505; Docket No. 99-0794 (Closed May 1, 2000). The Tennessee Regulatory Authority ("TRA") brought an action in October 1999 for complaints of alleged slamming. Excel voluntarily implemented a third party verification system for all Tennessee residential service requests (other than those submitted by a customer directly to local exchange carrier) to resolve the matter.
- 26 Public Service Commission of West Virginia, 201 Brooks Street, Charleston, WV 25301, Case No. 01-0042-T-C (Closed March 6, 2001). This case arose from a single consumer complaint regarding the billing for two calls. Excel demonstrated that it had credited the consumer the amount in dispute to the Commission's satisfaction.
- 27 Wisconsin Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Madison, WI 53718, Case No. 00CV-581-BR6 (Closed on July 12, 2000). The

Wisconsin Department of Agriculture, Trade and Consumer Protection ("Department") brought an action against Excel based upon complaints about the Company's intrastate rate increase that was effectuated on May 15, 1998. It is appropriate for Excel to raise its intrastate rates, however, the issue in this case was whether the type of notice Excel gave for the increase was contemplated by commission regulations. The Department and Excel entered into a Consent Decree, under which there was no admission of liability; however Excel paid a settlement in the amount of \$266,079 and provided compensation to customers based upon the rate in effect before the increase.

- 28 Texas Public Utility Commission, 1701 N. Congress Avenue, Austin, Texas 78711; Docket No. 20933 (Closed August 20, 1999). This case was instituted on April 22, 1999 and involved alleged unauthorized PIC changes. Excel and the Commission entered into a Stipulation and Settlement Agreement. Excel also consented to a voluntary contribution of \$35,000 to the Treasury of the State of Texas, with no admission of liability or wrongdoing.
- 30 Commonwealth of Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania, Case No. C-00014852 (Closed February 28, 2001). On February 8, 2001, the Commission notified Excel that a customer had filed a complaint with the Commission based on a billing dispute for adult entertainment calling charges. Excel does not provide 900# services nor does Excel bill for them. The customer was only billed for the phone calls themselves at Excel's regular tariffed rates. The customer acknowledged the services had been dialed from his number. Excel resolved the matter directly with the customer and to the customer's satisfaction.
- 31 Nebraska Public Service Commission, 300 The Atrium, 1200 N Street, P.O. Box 94927, Lincoln, Nebraska, 68509, Application No. NUSF-1, C-2106, DC-31. (Closed September 21, 1999). Excel, among several other carriers, was the subject of a Petition to Revoke Operating Authority and Cease and Desist Operations in Nebraska as a result of a requirement to file a toll plan to allow for additional flow-through of a reduction of access charges to its interexchange customers. Excel during this time period, was in the process of upgrading its billing system, thus making it impossible to provide the Commission with actual Minutes of Use to be used to calculate Excel's revised access rates. Excel met with Staff to devise an alternative way to determine the applicable access charge flow-through. Excel filed its tariff accordingly.
- 11 Louisiana Public Service Commission, P.O. Box 91154, Baton Rouge, Louisiana, 70821-9154; Docket No. U-24873. (Opened May 1, 2000) This action arises out of one consumer slamming complaint. Excel has reached a settlement with Commission staff and the matter has been dismissed by the Commission.

PENDING PROCEEDINGS

- 6 Florida Attorney General, Subpoena issued December 9, 1999. The Florida Attorney General issued a subpoena requesting certain information from the Company. Excel met with members of the Attorney General's office on the matter and delivered information covered by the subpoena. This matter has been inactive since May 2000.
- 28 Wisconsin Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Madison, WI 53718. This matter arose out of a single consumer complaint. The Consumer objected to paying Excel's tariffed long distance charges for adult entertainment calls the Customer claims he did not make. Excel does not bill for adult entertainment calls. The Department issued a civil investigative request for information to Excel on August 2, 2001, supplemented on September 4, 2001. Having responded to requests, Excel continues to cooperate to resolve this matter.
- 32 North Carolina Utilities Commission, 430 North Salisbury Street, Dobbs Building, Raleigh, NC 27603-5918. (Opened November 29, 2001). This complaint is currently pending at the North Carolina Public Utilities Commission. It was brought by a consumer for non-release of an 800 number based upon a billing issue. In its response, the Company agreed to release the number and crediting the customer's account. No formal proceeding schedule has been set as of the date of this filing.
- 33 Tennessee Attorney General, P. O. Box 20207, Nashville, TN 37202-0207. (Opened November 30, 2001). The Tennessee Attorney General opened an investigation into Excel Communications, Inc. d/b/a Excel Wireless concerning the collection of "911" surcharges. This investigation is ongoing and Excel is cooperating with the requests of the Attorney General.

AFFILIATE PROCEEDINGS

Long Distance Wholesale Club, Inc.

Rhode Island Public Utilities Commission, 89 Jefferson Boulevard, Warwick, RI, 02888, Docket No. 2262(Z3). (Opened December 3, 2001) This action was brought to rescind the authority that Long Distance Wholesale Club held to offer interexchange services based on the failure to pay required annual fees. The Company, due to current events, has had problems receiving mail service. This Company problem affected receipt of notices from the Commission. The Company is currently working with the Commission to rectify this situation.

Texas Attorney General's Office, P.O. Box 12548, Austin, Texas 78752, In the Matter of the State of Texas and Long Distance Wholesale Club, Inc., Case No. GY000122. (Closed January 28, 2000). The Texas Attorney General initiated an inquiry into advertisements for 10-10-XXX services offered by Long Distance Wholesale Club, Inc. ("LDWC"). LDWC and the TX AG entered into an Assurance of Voluntary Compliance. LDWC agreed to modify its advertising and made no admission of liability. LDWC paid \$22,000 to cover the Attorney General's costs to investigate the matter.

Wisconsin Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Madison, WI 53718, Docket No. 99-C-22 (Closed June 25, 1998). A Stipulation for Special Order was entered into between Excel and the Wisconsin Department of Agriculture, Trade and Consumer Protection. A programming error lead to customers being billed under a rate plan not offered in Wisconsin, although the mailer sent to Wisconsin customers reflected the plan under which Wisconsin customers should have been billed. LDWC voluntarily provided refunds to affected customers and agreed to pay a civil forfeiture in the amount of \$42,000 and other assessments required under statute. No adjudication of any issue of law or fact was made and by entering into this agreement, LDWC made no admission of any wrongdoing or that it violated any laws of the State of Wisconsin.

Teleglobe Business Solutions, Inc. n/k/a eMeritus Communications, Inc.

Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0870; Docket No. 010136-TX (Closed October 1, 2001). eMertius (f/k/a/ Teleglobe Business Solutions f/k/a Telco Holdings, Inc. d/b/a/ Dial and Save) was the subject of a Show Cause proceeding before the Florida PSC for failure to provide information for inclusion in a local competition report. The failure to file was inadvertent. Excel and its other affiliates had supplied the requested information, but failed to include Teleglobe's name on the filing. Under the terms of a Settlement Agreement the Company agreed to enhance its current protocols for handling Commission requests and made a contribution in the amount of \$3,500 to Florida's General Revenue Fund.

Telco Holdings, Inc. d/b/a Dial and Save, Inc.

Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0870;
Undocketed Audit Control No. 99-077-4-1 (Opened June, 1998) The Florida PSC initiated an audit based upon the flow-through of the 1998 LEC Switched Access Charges of Telco Holdings, d/b/a Dial and Save. Dial and Save filed its audit on March 8, 2000. However, this audit did not include minutes of use figures. Excel, during this time period, was in the process of upgrading its billing system, thus making it impossible to provide the Commission with actual minutes of use to be used to calculate Excel's revised access rates. Excel met with Staff to devise an alternative way to determine the applicable access charge flow-through. Excel has reached agreement with staff and the matter agreement was approved by the Commission.. Excel will provide a one time credit to customers' bills for approximately \$20,000, in total.

EXHIBIT K

CERTIFICATE OF SERVICE

Certificate of Service

The undersigned hereby certifies that on the 5th day of April, 2002, a true and correct copy of the foregoing was forwarded via U. S. Mail, first class postage prepaid, to the following incumbent local exchange telephone companies:

Ardmore Telephone Company, Inc.
P. O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449

BellSouth Telecommunications, Inc.
333 Commerce Street
Nashville, TN 37201-3300

CenturyTel of Adamsville
P. O. Box 405
116 N. Oak Street
Adamsville, TN 38310

CenturyTel of Claiborne
P. O. Box 100
507 Main Street
New Tazewell, TN 37825

CenturyTel of Ooltewah-Collegdale
P. O. Box 782
Ooltewah, TN 37363

Citizens Communications Company of Tennessee
P. O. Box 770
300 Bland Street
Bluefield, WV 24701

Citizens Communications Company of the Volunteer State
P. O. Box 770
300 Bland Street
Bluefield, WV 24701

Loretto Telephone Company, Inc.
P. O. Box 130
Loretto, TN 38469

Millington Telephone Company, Inc.
P. O. Box 429

4880 Navy Road
Millington, TN 38053

Sprint-United
112 Sixth Street
Bristol, TN 37620

TDS Telecom-Concord Telephone Exchange, Inc.
P. O. Box 22610
Knoxville, TN 37933

TDS Telecom-Humphreys County Telephone Company
P. O. Box 552
203 Long Street
New Johnsonville, TN 37134

TDS Telecom-Tellico Telephone Company, Inc.
P. O. Box 9
102 Spence Street
Tellico Plains, TN 37385

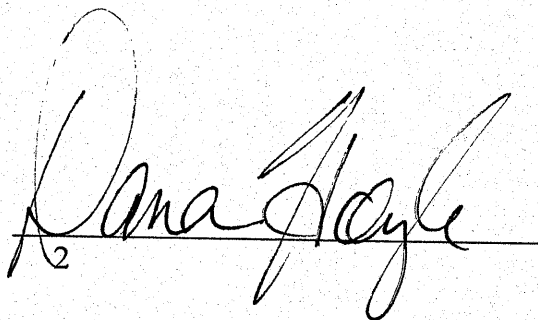
TDS Telecom-Tennessee Telephone Company
P. O. Box 18139
Knoxville, TN 37928

TEC-Crockett Telephone Company, Inc.
P. O. Box 7
Friendship, TN 38034

TEC-People's Telephone Company, Inc.
P. O. Box 310
Erin, TN 37061

TEC-West Tennessee Telephone Company, Inc.,
P. O. Box 10
244 E. Main Street
Bradford, TN 38316

United Telephone Company
P. O. Box 38
120 Taylor Street
Chapel Hill, TN 37034



A handwritten signature in cursive script, reading "Dana Hoyle", written over a horizontal line. The signature is located in the bottom right area of the document.